SUMMARY

The Office of Natural Gas and Petroleum Import and Export Activities prepares quarterly reports summarizing the data provided by companies authorized to import or export natural gas. Companies are required, as a condition of their authorizations, to file quarterly reports. This report is for the second quarter of 1997 (April through June).

Attachment A shows the percentage of takes to maximum firm contract levels and the weighted average per unit price for each of the long-term importers during the five most recent reporting quarters.

Attachment B shows volumes and prices of gas purchased by long-term importers and exporters during the past 12 months.

Attachment C shows volume and price information pertaining to gas imported on a short-term or spot market basis.

Attachment D shows the gas exported on a short-term or spot market basis to Canada and Mexico.

Second Quarter Highlights: The Natural Gas Import and Export Activities section of the Fossil Energy Web Site is new and improved this quarter. Users can now select specific sections of this Report including the summary and Quarterly Focus, as opposed to downloading the entire Report. Users can also browse our staff listing, find out about our Electronic Bulletin Board, and view the office's other international activities. Visit us at www.fe.doe.gov/oil_gas/im_ex/gasimex.html.

In other news, one new long-term contract was activated. Under this contract, Interenergy Sheffield Processing Company will import up to 3,000 Mcf per day of unprocessed, casinghead gas. The gas will be imported near Portal, North Dakota and be processed at Interenergy Sheffield's gas processing plant at Lignite, North Dakota. From there, the gas will be marketed to various U.S. purchasers, including pipelines, local distribution companies, electric utilities and industrial end-users.

Second Quarter Data: Long-term imports for the quarter totaled 352.3 Bcf, remaining basically the same as the second quarter of 1996 (351.5 Bcf). Long-term Canadian imports totaled 344.9 Bcf, also remaining steady compared to the second quarter of 1996 (346.3 Bcf). The average price of this gas was $2.01 per MMBtu, which was 73 cents or 27 percent lower than the preceding quarter. Under other long-term import arrangements, Distrigas Corporation imported 2.5 Bcf of Algerian LNG at an average landed price of $2.52 per MMBtu and PanEnergy LNG Sales, Inc. imported 4.9 Bcf of Algerian LNG at $2.00 per MMBtu (tailgate price).

During the second quarter, 93 companies used **short-term authorizations to import** 356.1 Bcf of gas. This volume represents a 2 percent decrease compared to the short-term imports of the second quarter of 1996 (364.6 Bcf). Of the total imported this quarter, 346.5 Bcf was imported from Canada at an average price of $1.48 per MMBtu (compared to $2.21 per MMBtu in the first quarter), and 4.3 Bcf was imported from Mexico at an average price of $2.07 per MMBtu. Under short-term LNG import contracts, Distrigas imported 2.5 Bcf from Abu Dhabi and PanEnergy imported 2.8 Bcf from Algeria.

Approximately 45 percent of the **short-term Canadian imports** occurred at Eastport, Idaho, at an average price of $1.32 per MMBtu; 18 percent at Sumas, Washington, at $1.26 per MMBtu; 15 percent at Port of Morgan, Montana, at $1.51 per MMBtu; 12 percent at Noyes, Minnesota, at $1.85 per MMBtu; 5 percent at Niagara Falls, New York, at $2.21 per MMBtu; 2 percent at Waddington, New York, at $2.20 per MMBtu; and 3 percent at various other entry points, at $1.81 per MMBtu.

In addition, 27 **short-term export** authorizations were used, exporting a total of 20.2 Bcf of gas. Seven authorizations were used to export 12.4 Bcf to Canada, at an average price of $1.98 per MMBtu. Under 20 authorizations, 7.8 Bcf was exported to Mexico at an average price of $1.95 per MMBtu. Finally, 13.3 Bcf of LNG was exported to Japan at an average price of $4.04 per MMBtu (delivered).

Year to Date Data: Comparing the first six months of 1997 with the first six months of 1996, gas imports increased 2 percent or by 26.6 Bcf (1,480.8 v. 1,455 Bcf). Canadian imports increased by less than 1 percent (1,436.5 v. 1,430.6 Bcf); Mexican imports increased 20 percent (11.5 v. 9.6 Bcf); and LNG imports increased 122 percent (32.8 v. 14.8 Bcf). During the same time period, the rate of total exports declined by 4 percent (75.3 v. 80.2 Bcf). Exports to Canada decreased by 7 percent (32 v. 34.5 Bcf); exports to Mexico decreased by 4 percent (13.2 v. 13.8 Bcf); and LNG exports decreased by nearly 6 percent (30.1 v. 31.9 Bcf).

This quarter's **focus report** is "Planned Projects Which May Promote Natural Gas Trade With Mexico." This office appreciates the assistance given to us by the FERC staff and the companies sponsoring projects covered by this article. The quarterly report and any future revisions to the report will be resident on our Electronic Bulletin Board at (202) 586-7853 or on the Fossil Energy Web Site at http://www.fe.doe.gov. Any questions or comments concerning this report should be directed to Yvonne Caudillo at (202) 586-4587 or by E-mail at yvonne.caudillo@hq.doe.gov.